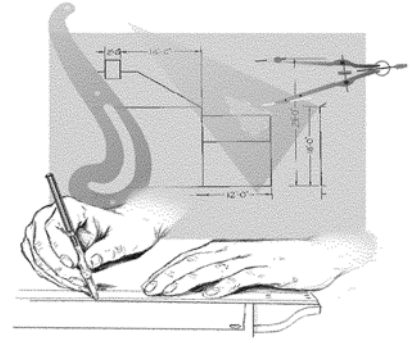


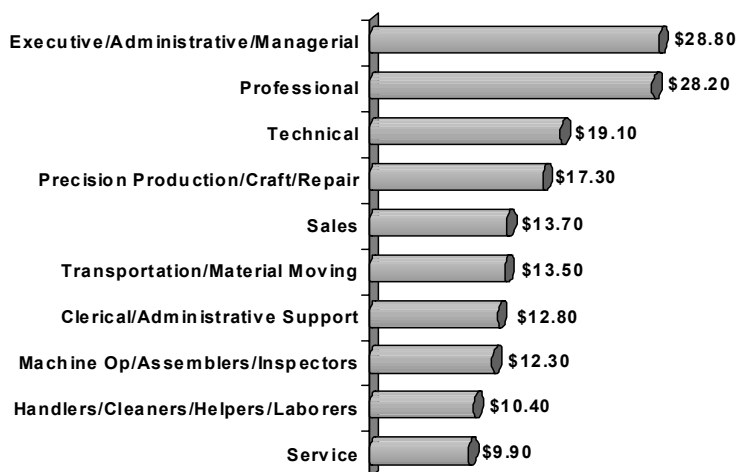
Education & Training



If You Want to Earn-Learn

By Lecia Parks Langston

2001 U.S. Hourly Wages



Source: U.S. Department of Labor, National Compensation Survey.

Your teachers were right. Your counselors were right. Yes, even your mother was right. Furthering your education does pay off—at least statistically.

The Proof is in the Data

Just take a look at the highest paying occupations highlighted in the current Utah wage survey. With few exceptions, most require at least a college education. Even the few that aren't college-education specific typically need extensive post-secondary training.

Further Evidence

Wait! We can provide more evidence that education pays. Data on broad occupational categories from the Bureau of Labor Statistics clearly illustrates this point (see the accompanying graph). Management/administration occupations or professional jobs, which both typically require at least a bachelor's degree, return the highest average wages. Service occupations—typically the least skilled of all jobs—show the lowest average wages.

The Best Corroboration Yet

Perhaps the U.S. Census Bureau conducted the most interesting education and earnings research. This study created "synthetic" estimates of work-life earnings. No, we're not talking about counterfeiting money. The bureau took the working population's one-year earnings and summed

their age-specific earnings (for people 25-64). This total is used to represent what individuals with the same educational level could expect to earn in today's dollars, during a hypothetical 40-year work life. Got that?

As you can see, from this graph, those with higher education average higher wages—especially over a lifetime of work. Professional degrees (typically medical doctors, dentists, veterinarians and lawyers) receive the highest wage returns. Yes, on average, education pays.

Now, it's More Important

Interestingly, education has become even more important to earning higher wages over time. In 1975, workers with an advanced degree (master's, doctoral, or professional) earned 1.8 times the earnings of high school graduates. By 1999, the working population with advanced degrees earned 2.6 times the wages of a high school graduate.

Education Pays for Women

These Census Bureau estimates indicate that, as a subgroup, women also benefit monetarily from increased education. A woman with a master's degree earns on average 1.9 times more than a woman with a high school education. Yet, women as a group show lower wages than

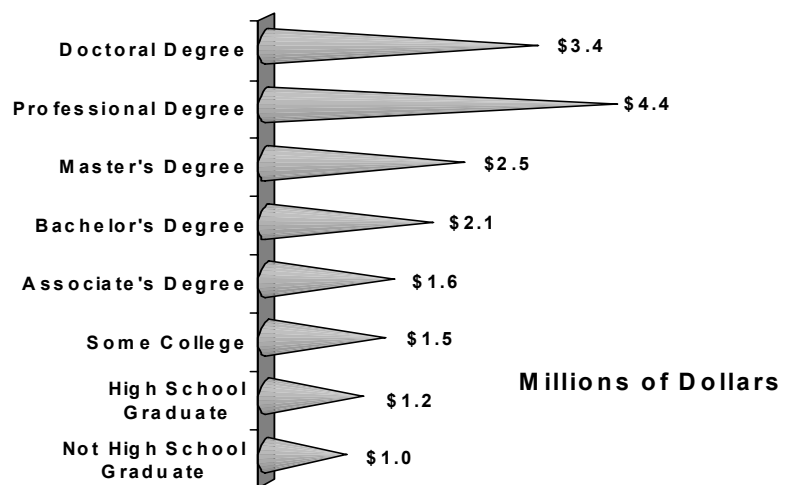
their male counterparts at every educational level.

Younger women benefit the most from increased educational attainment. For women under 40, additional education helps shrink the gap between men's and women's earnings. This relationship does not hold true for their older sisters.

Education Pays for Minorities

Those of nonwhite or Hispanic backgrounds also benefit from increased education. A worker of Hispanic background with an advanced degree receives 2.4 times the earnings of a comparable worker with only a high school education. However, as with women, education has yet to eliminate the gap in wages at each educational level.

U.S. Work-Life Earnings Estimates*



* Synthetic estimates for full-time, year-round workers, based on 1997-1999 work experience.
Source: U.S. Census Bureau, Current Population Survey.

Both women and minorities have improved their average level of educational attainment in the past several decades. For example, since 1982, in the U.S., women have actually earned more college degrees than men. As both women and minorities make up a larger share of the college-educated workforce, their earnings patterns should begin to more closely approximate that of white males.

For more information on education and earnings, see the following website:
<http://www.census.gov/prod/2002pubs/p23-210.pdf>

